

Santander Totta, SGPS, SA

Registered in Lisbon Company Registry Office – 3rd Department
Under no. 507 096 851 (previously no. 14,901)
NIPC 507 096 851
Share Capital: € 1,972,962,079.58
Head Office: Rua do Ouro, 88 – 1100-063 Lisbon

Net income increases by 96.4% and achieves 118.8 million euros

MAIN HIGHLIGHTS

- Net income of 118.8 million euros at end September, thus a growth of 96.4% relative to the result achieved in the homologous period (60.5 M€). In the year's third quarter, net income amounted to 38.7 million euros, a 1.6% growth relative to the previous quarter
- Progress of net income results from increase in revenue, with special reference to the growth in net interest income and to the lower need for provisions, with an increase in recurring profitability
- CET I ratio, in line with CRD IV/CRR rules for 2014, stood at 14.9%, and CET I fully implemented ratio at 12.5%¹
- Credit supplied to companies recorded increases of 1.2% in the quarter and 0.9% on an annual basis, resulting from the substantial increase in market share in credit production in this segment, which rose by 2pp in the first months of the year relative to the homologous period
- Very substantial growth was also recorded in the share of credit production in mortgages and consumer credit, although the market's weak demand inhibits the growth of these portfolios
- Substantial growth in customer's resources in the third quarter, impelled by an increase of 1.6 billion euros (+8.2%) in deposits, with a very considerable growth in deposits of private customers (+6.2%) and SMEs (+13.5%)
- Decrease in new net entries of credit at risk allow lowering cost of credit to 0.52% (0.90% in September 2013), strengthening the coverage levels
- The finalization of two issues of covered bonds during the first half year, amounting to 1,750 million euros, enables reduction of net financing with the Eurosystem which stood at 3 billion euros at end September, equivalent to a 3.2 billion euro decrease relative to the homologous period
- The rating of Banco Santander Totta continues the best in the financial system. In the beginning of July, Fitch increased the Bank's short and long term rating, from a negative to a positive outlook. The current rating notations of Banco Santander Totta's long term debt as compared to those of the Portuguese Republic are the following: Fitch – BBB (Portugal – BB+); Moody's – Ba1 (Portugal – Ba1); S&P – BB (Portugal – BB); e DBRS – BBBH (Portugal – BBBL)

¹ In accordance with the Bank's better interpretation of the CRD IV/CRR rules in force and applicable national filters. Does not include any impact of DTA legislation, since the Bank has not adhered to the regime proposed in draft Law 235/XII

Lisbon, 5 November 2014 – At the end of September, Santander Totta, SGPS (in this press release referred to as “Santander Totta” or “Bank”) achieved net income amounting to 118.8 million euros, a significant increase relative to the 60.5 million euros recorded in the homologous period (+96.4%). This progress is essentially due to the positive behaviour of revenues and the decrease in appropriations for provisions. Net income in the third quarter amounted to 38.7 million euros, a 1.6% increase relative to the previous quarter.

At end September operating income recorded a 5.5% increase relative to the homologous period, reflecting the positive progress of net interest income and of gains in financial transactions, which offset the decrease shown in net commissions.

Net interest income amounted to 404.0 million euros, a 5.3% increase relative to the amount recorded in September 2013. In spite of the historically low levels in interest rates and the weak credit demand, net interest income has shown stability throughout the three quarters of 2014, due to the decrease in cost of financing, particularly that of deposits.

Gains in financial transactions amounted to 90.4 million euros, a significant increase relative to the amount obtained in the homologous period, essentially showing gains in the securities portfolio, which were totally cancelled by the setting up of voluntary provisions and by an extraordinary depreciation of software entered in the second quarter of 2014.

Capital ratios, in line with the CRD IV/CRR rules, applicable in 2014, recorded an improvement relative to the end of the previous quarter, with the CET I ratio standing at 14.9% (14.6% in June) and the Tier I ratio standing at 16.5% (16.0% in June).

The fully implemented CET I ratio attained 12.5%, a 0.6pp improvement relative to the already very comfortable level recorded at the end of the previous quarter.

In both cases the progress of core capital ratios shows the Bank’s capability to organically generate capital and maintain a dividend pay-out of approximately 50%.

Deposits recorded a significant growth in the quarter (+8.2%) amounting to 20,388 million euros at the end of September. In its turn the credit portfolio amounted to 26,809 million euros, showing a stable position relative to June. The positive progress in credit granted to companies was offset by the decrease in credit to private customers; although greater dynamism was evident in the home loan market, with cumulative production to September increasing relative to the homologous period, the home loan portfolio recorded a 3.3% reduction.

In October, Santander Totta and EIB subscribed an agreement for a loan of 200 million euros, which is mainly intended to finance projects of small and medium

sized companies, and which the Bank will complement with an equal amount, thus totalling 400 million euros.

The credit at risk ratio is being kept significantly below the average of the banking system, standing at 5.69% in September, which compares with 5.86%, at end 2013.

The return to the international markets which was materialized by two issues of mortgage bonds, during the first half year, amounting to 1,750 million euros, allowed a reduction of 3.2 billion euros, relative to the homologous period, in financing obtained with the Eurosystem.

As stated by António Vieira Monteiro, Executive Chairman of Santander Totta, *"In a quarter featured by turbulence in the national financial markets, resulting from the application, in July, of the first measure of banking resolution in the European Union, Santander Totta records, at end September, a yet sounder situation of its accounts, significant growth in its market shares, and practically doubles its homologous results*

From the point of view of accounts and liquidity, the Bank was able to significantly strengthen its already comfortable capital ratios, record a significant decrease in its cost of credit and reduce its financing with the Eurosystem through the issues which it finalized this year.

Commercial activity in the quarter was characterized by significant gains in market share, with an 8% increase in revenues and deposits and in net interest income, with maintaining cost control, all this allowing simultaneous improvement in efficiency and profitability, either relative to the homologous period or relative to the previous quarter.

In short, the Bank is soundly capitalized and showing sustained growth with profitability. We are optimist in the face of future challenges. We want to help our customers, both companies and private, to prosper and to strengthen the country's economic growth."

BUSINESS ENVIRONMENT

The economy on the third quarter will have maintained the rate of growth achieved in the previous quarter, supported not just by internal demand but by the recovery in exports. In homologous terms GDP will have maintained the same growth rate of the previous quarter.

Private consumption was sustained in the third quarter, benefiting from the full payment of the salaries of Public Servants and of pensions, following the decisions of the Constitutional Court which cancelled the cuts implemented with the 2014 State Budget. The fall in the rate of unemployment to 13.9% in the third quarter also contributed towards the improvement of household sentiment (consumer confidence continues recovering) and to the rate of consumer expenditure.

Investment continues progressing positively, with the increase in imports of investment goods, as well as a progressive improvement in the construction sector, as evidenced by cement sales which, in spite of continued progress, are still below the levels viewed in the same period of the previous year.

Net exports evidenced a mixed behaviour in the third quarter, with a decrease in traded goods as compared to the homologous period, set off, however, by a more favourable progress in services, which contributed towards maintaining a positive trade balance in goods and services.

Budgetary execution until September shows a decrease in the primary deficit to 476 million euros, as compared to 890 million in the same period of 2013. Revenue is progressing satisfactorily with special reference to fiscal receipts: VAT grew by 7.7% and Personal Income Tax by 11%. This allows setting off the greater growth in expenditure, which is increasing by 3.0%, excluding debt servicing. Personnel expenses partially reflect the restitution of salaries imposed by the Constitutional Court, with a homologous growth of 10%.

The Treasury has kept up the regular access to the medium and long terms debt markets and has, already in October, issued 6 year bonds amounting to 1 billion euros, at the rate of 1.86%.

The Central European Bank, in September, again lowered the reference interest rates, setting the refi rate at a minimum of 0.05%. In the first TLTRO auction, the demand for very long term liquidity amounted to 82.6 billion euros, slightly below what was expected. A second operation will be held in December. In October, the ECB started the covered bonds purchase programme, having purchased, in the first week, assets amounting to 1.7 billion euros. The programme for the acquisition of asset backed securities should start before the end of the year.

INCOME

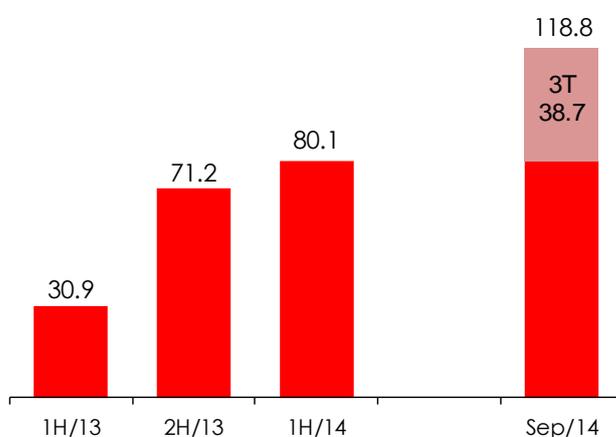
The net income of Santander Totta, SGPS, at end September 2014, amounted to 118.8 million euros, as compared to 60.5 million euros recorded in the homologous period. Net income for the quarter amounted to 38.7 million euros, 1.6% above the value obtained in the previous quarter.

INCOME STATEMENT (million euros)

	Sep-14	Sep-13	Var.
Commercial revenue	602.3	636.0	-5.3%
Operating income and insurance activity	692.6	656.5	+5.5%
Total operating expenses	(365.1)	(359.7)	+1.5%
Net operating income	327.5	296.9	+10.3%
Impairment and net provisions	(165.4)	(209.2)	-20.9%
Equity	11.4	10.1	+13.1%
Income before taxes and MI	173.5	97.7	+77.5%
Consolidated net income	118.8	60.5	+96.4%

The 96.4% increase in net income was achieved, mainly, by the positive impact of revenue and by the reduction in appropriations for impairment and provisions.

Net Income
Million euros



Net interest income amounted to 404.0 million euros, a 5.3% increase which is mainly the result of lower financing costs, particularly deposits, which set off the lower credit volumes.

Net commissions decreased by 19.1% and amounted to 201.7 million euros. This mainly reflects regulatory changes that limited administratively the capacity to collect commissions, and which were instituted in the third quarter of 2013. However, the comparison between the second and the third quarter of 2014 shows a 3.7% improvement, which is indicative of a recovery in the Bank's net commissions.

Other income resulting from banking activity amounted to -14.8 million euros and include potential evaluations of the assets of the Novimovest real estate investment fund, which became consolidated in the accounts of ST, SGPS, in the second half of 2013.

Gains in financial transactions amounted to 90.4 million euros, recording a significant increase as compared to the homologous period, resulting from gains in the securities portfolio, which were however totally cancelled with the setting up of voluntary provisions and by an extraordinary depreciation of software, entered in the second quarter of the year.

Operating income amounted to 692.6 million euros, a 5.5% increase relative to the value shown at the end of September 2013.

OPERATING INCOME (million euros)

	Sep-14	Sep-13	Var.
Net interest income (without dividends)	404.0	383.5	+5.3%
Net comissions	201.7	249.2	-19.1%
Other banking income	-14.8	-9.6	+54.4%
Insurance activity	10.2	11.5	-11.1%
Commercial revenue	602.3	636.0	-5.3%
Gain/loss on financial transactions	90.4	20.5	>200%
Operating income and insurance activity	692.6	656.5	+5.5%

Operating expenses progressed to 365.1 million euros and include the impact of an extraordinary depreciation, entered in the second quarter, amounting to 13.7 million euros, related to the change in the useful life of several software applications from 5 to 3 years, resulting in a 12.6% increase in depreciation. Personnel expenses decreased by 2.9% and general expenses recorded a 5.6% variation.

Growth in revenue in excess of growth in expenses resulted in a 2.0pp improvement in the efficiency ratio, which stood at 52.7%, at end September.

OPERATING EXPENSES (million euros)

	Sep-14	Sep-13	Var.
Personnel expenses	(204.6)	(210.7)	-2.9%
General expenses	(108.7)	(102.9)	+5.6%
Operating expenses	(313.2)	(313.6)	-0.1%
Depreciation	(51.9)	(46.1)	+12.6%
Total operating expenses	(365.1)	(359.7)	+1.5%
Efficiency ratio (excl. depreciation)	45.2%	47.8%	-2.5 p.p.
Efficiency ratio (incl. depreciation)	52.7%	54.8%	-2.0 p.p.

Total impairment and provisions amounted to 165.4 million euros, a 20.9% decrease as compared to the value shown in the homologous period. The cost of credit, measured by the weight of credit impairment (net of recoveries) in total credit, stood at 0.52% in annualized terms, strengthening the trend of standardization of cost of credit that has been shown in the last quarters.

Income before tax and minority interests amounted to 173.5 million euros, a 77.5% increase, and net income amounted to 118.8 million euros, at the end of September, corresponding to a 5.3% return on equity.

ACCOUNTS AND ACTIVITY

At end September, deposits amounted to 20,388 million euros, a significant increase in the quarter and in the year (variations of 8.2% and 6.0%, respectively).

Investment funds traded by the Bank recorded a significant increase as compared to the previous period (+18.5%) continuing to evidence signs of recovery (3.9% increase relative to end June). This positive progress, however, did not compensate the decrease occurred in capitalization insurance (-6.1% in annualized terms and -2.2% relative to June).

The credit portfolio amounted to 26,809 million euros, practically static in relation to the end of the previous quarter, to which contributed the increase recorded in credit granted to companies (+1.2%) but this did not totally set off the decrease in credit to private customers (-0.7%), with a greater weight in the credit portfolio.

In spite of the sharp decreases in the market of credit granted to companies, in which demand continues weak, Santander Totta recorded growths of 1.2% in the quarter and 0.9% in the year, which has allowed an increase in the bank's market shares.

Standing out in mortgage loans is the increase in the values of monthly production as compared to the previous year, but these are not yet sufficient to set off the levels of repayment.

BUSINESS VOLUME (million euros)

	Sep-14	Jun-14	Sep-13	Var.QoQ	Var.YoY
Total Gross Loans	26,809	26,820	27,332	-0.0%	-1.9%
<i>from which</i>					
Credit to Individuals	16,778	16,897	17,332	-0.7%	-3.2%
<i>from which</i>					
Mortgage	14,904	15,004	15,414	-0.7%	-3.3%
Consumer credit	1,405	1,416	1,387	-0.8%	+1.3%
Credit to Corporates	9,794	9,677	9,706	+1.2%	+0.9%
Resources	25,724	24,204	24,679	+6.3%	+4.2%
Deposits	20,388	18,835	19,242	+8.2%	+6.0%
Securities issued (clients)	222	224	300	-0.9%	-26.0%
Balance sheet resources	20,610	19,059	19,542	+8.1%	+5.5%
Investment funds managed or marketed by the Bank	1,401	1,348	1,182	+3.9%	+18.5%
Insurance and other	3,713	3,797	3,955	-2.2%	-6.1%
Off-Balance sheet resources	5,114	5,145	5,137	-0.6%	-0.4%

New entries in non-performing loans are decreasing and at end September were equivalent to 0.50% of the average credit portfolio, as compared with 0.60% recorded in the homologous period.

The credit at risk ratio stood at 5.69%, equivalent to a decrease of 0.17pp relative to the value recorded in December (5.86%), and the coverage ratio of credit at risk stood at 76.1% as compared with 67.7% in December 2013. In its turn the ratio of non-performing and doubtful loans stood at 4.11% and the respective coverage ratio at 105.2%.

CREDIT RISK RATIOS

	Sep-14	Sep-13	Var.
NPL ratio (+ 90 days)	4.06%	3.82%	+0.24 p.p.
NPL coverage ratio (+90 days)	106.4%	104.1%	+2.3 p.p.
NPL and doubtful loans ratio	4.11%	3.88%	+0.23 p.p.
Net NPL and doubtful loans ratio	0.90%	1.23%	-0.33 p.p.
NPL and doubtful loans coverage ratio	105.2%	102.5%	+2.7 p.p.
"Credit at risk" ratio	5.69%	5.74%	-0.05 p.p.
Risk premium*	0.50%	0.60%	-0.10 p.p.
Cost of Credit	0.52%	0.90%	-0.38 p.p.
Restructured loans/loans	9.3%		
Restructured loans not included in "credit at risk"/loans	6.7%		

* New entries in NPL (> 90 days), adjusted by write-offs and credit recoveries as % of loans

LIQUIDITY, SOLVENCY & PROFITABILITY

During the first half of 2014 the Bank finalized two issued of covered bonds amounting to 1 billion euros (3 years) and to 750 million euros (5 years). These issues, together with the improvement in the commercial gap allowed decreasing the net financing obtained with the Eurosystem which, at the end of September, stood at 3 billion euros, thus a decrease of 3.2 billion euros as compared to the homologous period.

The favourable progress of the commercial gap, particularly in the third quarter with the significant increase in deposits, led to an increase in its relative weight in the financing structure in detriment of short term financing.

At end September, the portfolio of assets eligible as guarantees for financial transactions with the Eurosystem amounted to 13.7 billion euros, which, together with the already referred current use of ECB funds, allows the Bank to maintain very comfortable levels of available liquidity.

LCR (Liquidity Coverage Ratio) stood at 127%, already in excess of the 100% which will be demanded at end 2019.

The Core Tier 1 ratio, in line with the CRD IV/CRR rules for 2014, reached 14.9%, a 0.3pp increase in the quarter, once again evidencing the Bank's capacity to organically generate equity.

CAPITAL

	Sep-14	Jun-14	dez-13
Common Equity Tier 1	2,492	2,470	2,426
Tier 1	2,759	2,716	2,583
Total Capital	2,759	2,716	2,583
Risk Weighted Assets (RWA)	16,668	16,956	16,827
CET 1 ratio	14.9%	14.6%	14.4%
Tier 1 ratio	16.5%	16.0%	15.3%
Total Capital Ratio	16.5%	16.0%	15.3%

COMMERCIAL BANKING

In the Private Customers area, throughout 2014, Santander Totta has been strengthening its business market shares both in resources and credit.

In household credit, in the first nine months of the year, the Bank approved its projects through the granting of personal credit amounting to 338.7 million euros and of home loans amounting to 274.8 million euros.

Regarding resources, the Bank continues implementing a policy of diversifying customers' assets, and the annual 7.3% increase in private customers' deposits deserves being emphasized.

To be enhanced as well are the praiseworthy results obtained in the capturing of new domiciled salaries, in the underwriting of protection solutions (autonomous insurance) and in the placing of credit cards in new card customers, very relevant tools for the increase in the levels of customer transaction possibilities.

The global number of issued cards recorded a 4.5% growth in annualized terms, backed with actions to ensure portfolio profitability and to promote their use, thus continuing the summer campaign associated to the *Light* card.

Since February, when the Select label was launched, this segment has been consolidating and strengthening its diversified and exclusive offer in the Bank's Private Customer Network. With 17 exclusive branches for the Select segment and 180 branches with Select managers, Santander Totta increased its customer base by 13%.

In the Companies area, the first nine months of the year confirm the Bank's commitment to support companies' activities, investing in sectors critical for the growth of the Portuguese Economy, specifically the export sector, both in international business and in support for internationalization, and in sectors of

transacted goods that may benefit from the improvement in the Republic's rating and from the expectation of the gradual recovery of business investment.

With the encouraging signs in the recovery of the Portuguese economy, Santander Totta strengthened its commercial network opening, in the beginning of 2014, three new Company Commercial Departments (Paredes, São João da Madeira and Torres Vedras), thus investing in greater customer proximity.

The year is being characterized by a greater pressure in price levels, which reflects a greater availability of banking supply in the companies' segment. In this environment, the Companies' Network has maintained its line of activity, investing in the growth of its credit portfolio, and safeguarding the balanced management of the credit and resource portfolios. In this particular field, and throughout the nine months of the year, the Companies' Network has achieved credit production in excess of 3.8 billion euros.

Within the scope of a protocol undertaken with the European Investment Bank (EIB), the Bank made available a line of credit that allows access to credit in preferential conditions. This line is intended to support projects located in any State of the European Union, in several sectors of the economy (agriculture, services, industry) and preferably covers market segments in the range of SMEs and *mid-caps*. The placing of the total EIB line, amounting to 200 million euros was completed in September, providing support for 1,000 companies. Already in October, and as referred earlier, EIB and Santander Totta subscribed a 200 million euro loan to finance small and medium sized projects mainly carried out by SMEs (companies with less than 250 employees) and companies with average capitalization (companies with less than 3,000 employees) In the terms of this agreement, Santander will complement EIB's loan with the same amount, and as such the total available to support SMEs and *mid-caps* will amount to 400 million euros.

In the SME Invest/Growth Lines, Banco Santander Totta continues intervening substantially with a market share of approximately 16.7%, and has placed until September more than twenty thousand operations, amounting to a total of 2,000 million euros. In the 2014 SME Growth line, which began being marketed in March, the Bank has also positioned itself above its market share, obtaining an 18.5% franchise in the amount of financing of transactions framed by SME-Investments (the management body of these lines), the Bank being placed, under this criterion, as leader in this line.

The Bank also continues market leader in *factoring and confirming*, with an aggregate market share of 24.2%, which is once again a symptom of the commitment that the Bank has in the effective support to Companies' activities.

Regarding international trade the *SantanderTrade.com* site was launched in end 2013, a tool which allows access to information on external markets to the Bank's customers that search for new business opportunities. With the *SantanderTrade.com site*, the Bank intends to become the companies' main partner in the development of their international activity. In short, the site offers

adequate and relevant information on all trade sectors in more than 186 countries, including in the tool more than 40 data bases as well as governmental data.

Concomitant to this and aiming to support the internationalization of Portuguese companies, the Bank enables the availability of the International Desk, a unit whose objective is to support, facilitate and establish trade contacts through the effective interrelation of the Companies' Network with its counterparts in the several international banks comprised in the Santander Group, enabling the advantages of our international dimension (with particular emphasis to Brazil, Mexico, Chile, Peru, Uruguay, Colombia, Angola and Spain) to increase the potential for the international business of Portuguese companies.

GLOBAL BANKING AND MARKETS

The Corporate Finance area had an outstanding role, in the first nine months of the year, as joint leader in the following successfully completed operations: (i) initial public offer/IPO of ESS - Espírito Santo Saúde; (ii) public offer for the sale of shares in REN (National Power Grid), in the 2nd stage of the company's privatization; and (iii) public offer for the increase in share capital of Banco Espírito Santo.

Outstanding as well, in this period, is Santander Totta's action as consultant and financial intermediary of José de Mello Saúde in the takeover bid launched on ESS - Espírito Santo Saúde.

In the Credit Markets area, with respect to financing of acquisition of Portuguese companies and assets, the third quarter of 2014 was particularly active, with relevant transactions for the Portuguese market, such as the privatization of EGF and the takeover bid of Espírito Santo Saúde. Santander Totta recorded heavy activity in the support and structuring of financing acquisition operations on behalf of national and international corporate customers.

The Structured Products area has shown outstanding performance in the marketing of liability products. Seventeen structured products were issued during the third quarter, of which 14 are euro denominated issues which amounted to a total of 554 million euros and 3 US Dollar denominated issues which amounted to 39.5 million US Dollars. Issues placed in this period were indexed to different assets transacted in several worldwide share markets.

In February 2014, Banco Santander Totta was distinguished by Euromoney Structured Retail Products publication as the "Best Sales in Portugal" of structured products in Portugal.

INSURANCE

The Insurance area focused its action in the deepening of commercial relationship, tailoring its product range to the defined segmentation strategies and endeavouring to offer each customer profile the types of insurance adequate to their needs, aiming towards wider customer protection.

Within the scope of life insurance traded on the open market, its continuous growth compared to 2013 should be emphasized. “SafeCare” continues well accepted, with the portfolio increasing by 38% relative to end 2013, with the number of insured persons in September 2014 reaching 72,800. “Home Protection” continues in high demand with 18,200 policies underwritten in 2014, up to September.

Also kept up was the focus on the trading of solutions to protect family income in the case of death, serious illness or unemployment - “Family Protection Plan”, “Live Longer Insurance” and “Salary Protection Plan”, with sales reaching approximately 33,200 policies in 2014, up to September.

Since the launching of the “LifeCorporate” product, occurred in the first quarter of 2014, which is intended for companies concerned with the financial implications in the event of death or disablement of staff responsible for key functions, demand has been greater than expected.

The marketing of “Financial Plan” products, which provide a monthly and quarterly return paid under the guise of partial redemption, amounted to approximately 184.6 million euros in the first 9 months of 2014, as compared with 328.8 million marketed during the same period of 2013.

In the case of risk and mixed insurance the premium volume amounted to 96.8 million euros, thus showing a 5.9% increase relative to premiums issued until 30 September 2013; worthy of mention is a 20.9% increase in insurance premiums sold on the open market.

INSTITUTIONAL INFORMATION

Banco Santander (SAN.MC, STD.N, BNC.LN) is a retail and commercial bank, based in Spain, with a presence in 10 main markets. Santander is the largest bank in the euro zone by market capitalization. Founded in 1857, Santander had EUR 1.34 trillion in managed funds, 107 million customers, 13,225 branches – more than any other international bank – and 183,648 employees at the close of June 2014. It is the largest financial group in Spain and Latin America. It also has significant positions in the United Kingdom, Portugal, Germany, Poland and the northeast United States. In the first half of 2014, Santander registered EUR 2.756 billion in attributable profit, an increase of 22% from the same period of the previous year.

Santander Totta, SGPS

BUSINESS VOLUME (million euros)

	Sep-14	Sep-13	Var.
Total Gross Loans	26,809	27,332	-1.9%
<i>from which</i>			
Credit to Individuals	16,778	17,332	-3.2%
<i>from which</i>			
Mortgage	14,904	15,414	-3.3%
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Resources	25,724	24,679	+4.2%
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Balance sheet resources	20,610	19,542	+5.5%
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Insurance and other	3,713	3,955	-6.1%
Off-Balance sheet resources	5,114	5,137	-0.4%

Santander Totta, SGPS

Ratios calculated in accordance with instructions n° 16/2004, n° 23/2011 and 32/2013 from the Bank of Portugal

RATIOS

	Sep-14	Sep-13	Var.
Solvency			
Core Tier I	14.9%	14.6%	+0.3 p.p.
Tier I	16.5%	15.6%	+0.9 p.p.
Solvency ratio	16.5%	15.5%	+1.0 p.p.
Credit Quality			
NPL and doubtful loans ratio	4.1%	3.9%	+0.2 p.p.
NPL and doubtful loans coverage ratio	105.2%	102.5%	+2.7 p.p.
Net NPL and doubtful loans ratio	0.9%	1.2%	-0.3 p.p.
"Credit at risk" ratio	5.7%	5.7%	-0.1 p.p.
"Credit at risk" ratio (net)	1.4%	1.8%	-0.4 p.p.
Restructured Loans/Total Loans	9.3%		
Restructured Loans (not included in credit at risk)/Total Loans	6.7%		
Profitability			
Income before taxes and MI/Average net assets	0.6%	0.3%	+0.3 p.p.
Operating income/Average net assets	2.3%	2.1%	+0.2 p.p.
Income before taxes and MI/Average equity	7.4%	4.7%	+2.7 p.p.
Efficiency			
Total operating expenses/Operating income	51.9%	54.0%	-2.1 p.p.
Personnel expenses/Operating income	29.1%	31.6%	-2.5 p.p.
Transformation			
Credit (net)/Deposits	126.3%	137.5%	-11.2 p.p.
Credit (net)/Deposits*	117.9%	127.4%	-9.5 p.p.

* According the definitions in the "Memorandum of Understanding"

Santander Totta, SGPS

INCOME STATEMENT (million euros)

	Sep-14	Sep-13	Var.
Net interest income (without dividends)	404.0	383.5	+5.3%
Dividends	1.2	1.4	-14.9%
Net interest income	405.2	384.9	+5.3%
Net commissions	201.7	249.2	-19.1%
Other banking income	-14.8	-9.6	+54.4%
Insurance activity	10.2	11.5	-11.1%
Commercial revenue	602.3	636.0	-5.3%
Gain/loss on financial transactions	90.4	20.5	>200%
Operating income and insurance activity	692.6	656.5	+5.5%
Total operating expenses	(365.1)	(359.7)	+1.5%
Personnel expenses	(204.6)	(210.7)	-2.9%
General expenses	(108.7)	(102.9)	+5.6%
Depreciation	(51.9)	(46.1)	+12.6%
Net operating income	327.5	296.9	+10.3%
Impairment and net provisions	(165.4)	(209.2)	-20.9%
Equity	11.4	10.1	+13.1%
Income before taxes and MI	173.5	97.7	+77.5%
Taxes	(54.5)	(37.4)	+45.6%
Income after taxes	119.0	60.3	+97.3%
Minority interests	(0.1)	0.2	-152.6%
Consolidated net income	118.8	60.5	+96.4%

(*) Not audited

Santander Totta, SGPS

BALANCE SHEET (million euros)

	Sep-14	Sep-13	Var.
Deposits at Central Banks	1,078	1,417	-23.9%
Cash, loans and advances to banks	1,835	2,178	-15.8%
Financial assets	12,669	8,998	+40.8%
Net loans	25,649	26,244	-2.3%
Hedging derivatives	213	219	-3.1%
Non current assets held to sell	209	220	-5.1%
Other tangible assets	339	386	-12.1%
Other assets	1,348	1,593	-15.4%
TOTAL ASSETS	43,339	41,256	+5.1%
Resources from Central Banks	4,106	7,650	-46.3%
Resources from other institutions	4,976	2,067	+140.7%
Financial liabilities held for trading	1,929	1,805	+6.9%
Financial liabilities designated at fair value through profit and loss	3,475	3,644	-4.6%
Resources of customers and others	20,388	19,242	+6.0%
Debt securities issued	3,929	2,539	+54.7%
Hedging derivatives	219	385	-43.1%
Provisions	450	434	+3.7%
Subordinated liabilities	0	0	-
Other liabilities	597	540	+10.5%
Shareholder's equity	3,269	2,949	+10.8%
TOTAL LIABILITIES AND EQUITY	43,339	41,256	+5.1%